

Passed by the House on May 4, 2017: Yeas 143, Nays 0, 2 present, not voting; the House concurred in Senate amendments to H.B. No. 2567 on May 21, 2017: Yeas 134, Nays 2, 2 present, not voting; passed by the Senate, with amendments, on May 19, 2017: Yeas 31, Nays 0.

Approved June 15, 2017.

Effective September 1, 2017.

**ELIMINATION OF CERTAIN FEES FOR LICENSURE AND
THE DISPOSITION OF CERTAIN FEES COLLECTED BY THE
TEXAS LOTTERY COMMISSION UNDER THE BINGO
ENABLING ACT**

CHAPTER 860

H.B. No. 2578

AN ACT

relating to the elimination of certain fees for licensure and the disposition of certain fees collected by the Texas Lottery Commission under the Bingo Enabling Act.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subchapter A, Chapter 2001, Occupations Code, is amended by adding Section 2001.003 to read as follows:

Sec. 2001.003. REGULATORY FUNDING FROM LICENSE FEES AND BINGO PRIZE FEES. It is the intent of the legislature that the funding necessary for the administration of this chapter by the commission be collected by the commission from commercial lessor, manufacturer, and distributor license fees and money paid to the commission by bingo players as bingo prize fees.

SECTION 2. Section 2001.103(a), Occupations Code, is amended to read as follows:

(a) An authorized organization may receive a temporary license to conduct bingo by filing with the commission an application, on a form prescribed by the commission, ~~accompanied by a \$25 license fee~~.

SECTION 3. Section 2001.105(a), Occupations Code, is amended to read as follows:

(a) The commission shall issue or renew a license to conduct bingo ~~[on payment of the license fee provided by Section 2001.104]~~ if the commission determines that:

(1) the member or members of the applicant designated in the application to conduct bingo are active members of the applicant;

(2) the bingo is to be conducted in accordance with this chapter;

(3) the proceeds of the bingo are to be disposed in accordance with this chapter;

(4) the applicant has made and can demonstrate significant progress toward the accomplishment of the purposes of the organization during the 12 months preceding the date of application for a license or license renewal;

(5) all persons who will conduct, promote, or administer the proposed bingo are active members of the applicant organization and all other persons who will assist in conducting, promoting, or administering the proposed bingo games are persons authorized to do so by Section 2001.411; and

(6) no person under whose name bingo will be conducted and no person working at the proposed bingo has been convicted of a gambling offense or criminal fraud.

SECTION 4. Section 2001.154(a), Occupations Code, is amended to read as follows:

(a) The commission may not issue a commercial lessor license to or renew a commercial lessor license of:

- (1) a person convicted of criminal fraud or a gambling or gambling-related offense;
- (2) a public officer who receives any consideration, direct or indirect, as owner or lessor of premises offered for conducting bingo;
- (3) a person who ~~[extends credit to,]~~ loans money to~~[-or pays or provides for the payment of license fees for]~~ an authorized organization;
- (4) a distributor or manufacturer;
- (5) a person in which a person covered by Subdivision (1), (2), (3), or (4) or a person married or related in the first degree by consanguinity or affinity, as determined under Chapter 573, Government Code, to one of those persons has greater than a 10 percent proprietary, equitable, or credit interest or in which one of those persons is active or employed;
- (6) a foreign corporation or other foreign legal entity;
- (7) an individual who is not a resident of this state;
- (8) a corporation or other legal entity owned or controlled by:
 - (A) a foreign corporation; or
 - (B) an individual who is not a resident of this state; or
- (9) a corporation or other legal entity:
 - (A) whose shares are publicly traded; or
 - (B) owned or controlled by a corporation whose shares are publicly traded.

SECTION 5. Section 2001.438(f), Occupations Code, is amended to read as follows:

(f) Each licensed authorized organization that is a member of the unit shall be jointly and severally liable for:

- (1) compliance with the requirements of this subchapter and the rules of the commission relating to the filing of required reports;
- (2) the maintenance of bingo inventory and financial records; and
- (3) the payment of ~~[fees and]~~ any penalties imposed for a violation of this subchapter or commission rules related to the operations of the unit.

SECTION 6. Section 2001.458(a), Occupations Code, is amended to read as follows:

(a) An item of expense may not be incurred or paid in connection with the conduct of bingo except an expense that is reasonable or necessary to conduct bingo, including an expense for:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security;
- (3) repairs to premises and equipment;
- (4) bingo supplies and equipment;
- (5) prizes;
- (6) stated rental or mortgage and insurance expenses;
- (7) bookkeeping, legal, or accounting services related to bingo;
- (8) ~~[fees for]~~ bingo chairpersons, operators, managers, salespersons, callers, cashiers, ushers, janitorial services, and utility supplies and services;
- (9) health insurance or health insurance benefits for bingo chairpersons, operators, managers, salespersons, callers, cashiers, and ushers, as provided by Subsection (b);
- (10) ~~[license fees]~~;
- ~~[(11)]~~ attending a bingo seminar or convention required under Section 2001.107; and
- (11) ~~[(12)]~~ debit card transaction fees and electronic funds transfer fees.

SECTION 7. Section 2001.459(a), Occupations Code, is amended to read as follows:

(a) The following items of expense incurred or paid in connection with the conduct of bingo must be paid from an organization's bingo account:

- (1) advertising, including the cost of printing bingo gift certificates;
- (2) security during a bingo occasion;
- (3) the purchase or repair of bingo supplies and equipment;
- (4) prizes, other than authorized cash prizes;
- (5) stated rental expenses;
- (6) bookkeeping, legal, or accounting services;
- (7) fees for callers, cashiers, and ushers; *and*
- (8) janitorial services[; *and*
- ~~(9) license fees].~~

SECTION 8. Section 2001.502, Occupations Code, is amended to read as follows:

Sec. 2001.502. PRIZE FEE. A licensed authorized organization shall:

- (1) collect from a person who wins a bingo prize of more than \$5 a fee in the amount of five percent of the amount or value of the prize; and
- (2) remit to the commission a fee in the amount of five percent of the amount or value of all bingo prizes of *more than \$5* awarded.

SECTION 9. Section 2001.503, Occupations Code, is amended to read as follows:

Sec. 2001.503. LOCAL SHARE OF PRIZE FEE. (a) Except as provided by Subsection (c), a county that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to, *subject to Section 2001.507(i)*, 50 percent of the fee collected under Section 2001.502 on a prize awarded at a game conducted in the county.

(b) Except as provided by Subsection (c), a municipality that imposed a gross receipts tax on the conduct of bingo as of January 1, 1993, is entitled to, *subject to Section 2001.507(i)*, 50 percent of the fee collected under Section 2001.502 on a prize awarded at a game conducted in the municipality.

(c) If a county and municipality are both entitled to a share of the fee imposed by Section 2001.502:

- (1) the county is entitled to, *subject to Section 2001.507(i)*, 25 percent of the fee on a prize awarded at a game conducted in the county; and
- (2) the municipality is entitled to, *subject to Section 2001.507(i)*, 25 percent of the fee on a prize awarded at a game conducted in the municipality.

SECTION 10. Section 2001.507, Occupations Code, is amended by amending Subsection (c) and adding Subsection (i) to read as follows:

(c) *At the end of each state fiscal year, the [The] commission shall send [quarterly] to a county or municipality entitled to a share of the fee on prizes the county's or municipality's share, as provided by Section 2001.503 and Subsection (i).*

(i) *The commission shall reduce the amount of each local share of a fee to each county or municipality entitled to a share of the fee under Section 2001.503 on a pro rata basis as necessary to retain the amount necessary for the administration of bingo under this chapter for the state fiscal year less the amount estimated by the commission as license fees expected to be deposited in a special account in the general revenue fund for that year. The amount the commission retains under this subsection:*

(1) *must, in each state fiscal year, be the amount necessary to ensure that the ratio of the amount retained under this subsection to the amount paid to the commission as license fees during that fiscal year is the same as the ratio of the amount appropriated to the commission to enforce bingo laws under Chapter 1281 (H.B. 1), Acts of the 84th Legislature, Regular Session, 2015, to the amount paid to the commission as license fees during the state fiscal year ending August 31, 2017; and*

(2) *is considered miscellaneous revenue for purposes of appropriations made to the commission under the General Appropriations Act for the administration of this chapter.*

SECTION 11. Sections 2001.104, 2001.313(b-2), and 2001.437(e), Occupations Code, are repealed.

SECTION 12. (a) The changes in law made by this Act in amending Sections 2001.503 and 2001.507, Occupations Code, apply beginning with the state fiscal year beginning September 1, 2017.

(b) The changes in law made by this Act to Sections 2001.103, 2001.105, and 2001.154, Occupations Code, apply to the issuance of a license under Chapter 2001, Occupations Code, that occurs on or after the effective date of this Act. The issuance of a license that occurs before the effective date of this Act is governed by the law in effect on the date the license is issued, and the former law is continued in effect for that purpose.

SECTION 13. (a) As soon as practicable after the effective date of this Act but not later than January 1, 2018, the Texas Lottery Commission shall adopt rules necessary to implement this Act.

(b) Not later than January 1, 2018, the Texas Lottery Commission shall return to each license holder who in the year preceding the effective date of this Act paid a license fee under Section 2001.104 or 2001.437, Occupations Code, as those sections existed before the effective date of this Act, any portion of the fee attributable to the license holder's period of licensure occurring on or after the effective date of this Act.

SECTION 14. This Act takes effect September 1, 2017.

Passed by the House on May 4, 2017: Yeas 146, Nays 0, 2 present, not voting; passed by the Senate on May 22, 2017: Yeas 29, Nays 1.

Approved June 15, 2017.

Effective September 1, 2017.

**CIVIL LIABILITY OF A PERSON WHO PRODUCES,
DISTRIBUTES, SELLS, OR PROVIDES OR AIDS IN THE
PRODUCTION, DISTRIBUTION, SALE, OR PROVISION OF
CERTAIN SYNTHETIC SUBSTANCES TO ANOTHER PERSON
FOR DAMAGES CAUSED BY THE OTHER PERSON AND TO
CERTAIN ACTIONS AND INVESTIGATIONS UNDER THE
DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION
ACT**

CHAPTER 861

H.B. No. 2612

AN ACT

relating to civil liability of a person who produces, distributes, sells, or provides or aids in the production, distribution, sale, or provision of certain synthetic substances to another person for damages caused by the other person and to certain actions and investigations under the Deceptive Trade Practices-Consumer Protection Act.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Subchapter D, Chapter 481, Health and Safety Code, is amended by adding Section 481.1191 to read as follows:

Sec. 481.1191. CIVIL LIABILITY FOR ENGAGING IN OR AIDING IN PRODUCTION, DISTRIBUTION, SALE, OR PROVISION OF SYNTHETIC SUBSTANCES.

(a) In this section:

(1) "Minor" means a person younger than 18 years of age.

(2) "Synthetic substance" means an artificial substance that produces and is intended by the manufacturer to produce when consumed or ingested an effect similar to or in